

## CONDUCTING JAPANESE NEGOTIATIONS: STRATEGIC VISION AND CULTURAL ADAPTATION

BY

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USAWC CLASS OF 2008

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U.S. Army War College, Carlisle Barracks, PA 17013-5050

Report Documentation Page			Form Approved OMB No. 0704-0188		
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>15 MAR 2008</b>		2. REPORT TYPE <b>Strategy Research Project</b>		3. DATES COVERED <b>00-00-2007 to 00-00-2008</b>	
4. TITLE AND SUBTITLE <b>Conducting Japanese Negotiations Strategic Vision and Cultural Adaptation</b>			5a. CONTRACT NUMBER		
			5b. GRANT NUMBER		
			5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S) <b>George Suther</b>			5d. PROJECT NUMBER		
			5e. TASK NUMBER		
			5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>U.S. Army War College ,122 Forbes Ave.,Carlisle,PA,17013-5220</b>			8. PERFORMING ORGANIZATION REPORT NUMBER		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSOR/MONITOR'S ACRONYM(S)		
			11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT <b>See attached</b>					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>32</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

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# USAWC STRATEGY RESEARCH PROJECT

## **CONDUCTING JAPANESE NEGOTIATIONS: STRATEGIC VISION AND CULTURAL ADAPTATION**

by

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## **ABSTRACT**

AUTHOR: Commander George N. Suther

TITLE: Conducting Japanese Negotiations: Strategic Vision and Cultural Adaptation

FORMAT: Strategy Research Project

DATE: 28 February 2008 WORD COUNT: 6,446 PAGES: 32

KEY TERMS: Communication, Protocol, Relationship-Building

CLASSIFICATION: Unclassified

The United States has benefited and profited from a strong friendship with Japan since the Second World War. Japan's diplomatic age finds itself self-confident and empowered to develop personal relationships with its contemporary negotiators. Asian leaders reference ancient philosophies to seek guidance for their day-to-day business and political affairs. Therefore, it becomes a priority for Westerners to understand these philosophies. The United States, understanding the need to keep the Far East Sea Lanes of Communication open, maintains the need for constant presence in Japan to provide the necessary offensive capabilities. Through these issues Japan's government agreed to expend a percentage of the Gross Domestic Product budget towards host nation support. American military officers transferred to foreign assignments are uneducated about host nation customs, traditions, and views. It is hoped that the turnover process between new and past officer provides informal insight into the international cultural perspective and what to expect when meeting with Host Nation negotiators. This paper examines the negotiations of the realignment of forces and the master plan at Marine Corps Air Station Iwakuni, Japan. It provides insight to the

Japanese culture as it affects strategic negotiations. Finally, it recommends measures to prepare military officers for international negotiations.

## CONDUCTING JAPANESE NEGOTIATIONS: STRATEGIC VISION AND CULTURAL ADAPTATION

The great difference between Western and Asian languages is one obvious barrier to understanding. But language is not only how we express our thoughts, it is also how we create our thoughts. The underlying cause of misunderstanding is not language itself but how we think: Asians and Westerners think differently as they speak.<sup>1</sup>

Commodore Matthew C. Perry entered Edo Bay in 1853, thus eliminating Japan's virtual isolation from the outside world. A famous Japanese statesman, Toshimichi Okubo, stated over a century ago that "Dealing with foreigners, can be a troublesome and difficult task." Since then, the Japanese people have regarded "diplomacy and diplomatic negotiations as formidable, face-threatening undertakings."<sup>2</sup> As Japan emerged as a strong economic and political ally of the United States, they continued to approach the trade negotiating table guardedly. Not standing on past historical actions, Japan's new diplomatic age finds itself self-confident and empowered to develop personal relationships with its contemporary negotiators. However, Asian leaders reference ancient philosophies to seek guidance for their day-to-day business and political affairs.<sup>3</sup> Therefore, it becomes a priority for Westerners to understand these philosophies.

The United States has benefited and profited from a strong friendship with Japan since the Second World War. This strong relationship is due to the humanitarian and respectful approach to the conditions of Japan's unconditional surrender. The country of Japan lay in ruins, both physically and economically, due to constant military action, loosing the goodwill of its neighbors and millions of Japanese facing starvation.<sup>4</sup> They had little choice but to accept the long occupation by the United States and to engage in democracy "to achieve stability and promote nation-building."<sup>5</sup> Allowing the Empire's



monarchy to remain directly facilitated, the rebuilding of their country both politically and physically ensured the prospect of Japan and the United States as strong allies and shared economic growth.<sup>6</sup>

Japan's resolve to rebuild and develop a bonding with the United States did not alleviate their bad relations between Korea and China. For this reason, the United States conceded that the lengthy occupation would check the threat of communism and make Japan an important strategic ally if the Soviet Union instigated a conflict. This hostile relationship required Japan to maintain a defensive nature, which would be strongly supported by the United States in terms of economics, politics, and the military. The United States, understanding its own need to keep the Sea Lanes of Communication open with Korea and China, maintained the need for constant U.S. presence in Japan to provide the necessary offensive capabilities. Through these issues and a positive understanding with Japan today, their government agreed to expend a percentage of the Gross Domestic Product to the entire Ministry of Defense budget, which is inclusive of the host nation support budget. The total support figure is approximately \$2 billion a year for construction and utilities cost sharing of U.S. Military facilities in support of Japan's defense.

Duty assignments overseas do not come with instruction manuals to understand host nation cultures and negotiations. There have been studies conducted to indicate that American executives are not as concerned with the international perspective and cultures of those they will be dealing with in the global market.<sup>7</sup> American military officers transferred to foreign assignments are uneducated about host nation customs, traditions, and views. It is hoped that the turnover process between new officer and past

officer provides informal insight into the international cultural perspective and what to expect when meeting with Host Nation negotiators. If the acquiescence is properly conducted, then negotiations will continue. However, the Japanese will need to develop a new harmony; develop a new trusting relationship. If a complete and proper acquiescence does not occur, it is hoped that there will be a mentor available within the U.S. organization to provide an informal exchange of awareness of cultural expectations. First impressions determine the effectiveness of future negotiations. It is wise to learn proper respect techniques as well as specific idiosyncrasies expected during negotiations.

This paper examines the negotiations of the realignment of forces in Japan, specifically, the master plan of Marine Corps Air Station Iwakuni (MCASI), Japan. It provides insight to the Japanese culture as it affects strategic negotiations. Finally, it recommends measures to prepare military officers for international negotiations.

### Strategic Leadership

The Strategic Leadership Primer for the U.S. Army War College submits a definition of 'Strategic Leadership' that provides a focus on the application of the profession of senior leaders in the military. The strategic leader is "responsible to shape the climate and culture by vision, policy, communication, education, coaching, mentoring and personal example."<sup>8</sup> It is necessary for leaders to use past knowledge and experiences and apply these constraints in different cultural climates. In the past, this cultural adaptation has been primarily taught by professionals. Today, cultural adaptation has become a necessity for all military professionals around the globe.

When considering other countries such as Japan, it is necessary for the strategic leader to create a vision into interactions with foreign nationals to develop the vision for the future. This vision must be communicated clearly and understood before any negotiation can proceed. The “Center of Gravity” must be defined and strategic goals must be developed to facilitate attaining the vision. It is also important to recognize the inability to communicate and thus reach out and gain good counsel. A direct failure of any meeting or negotiation is the inability or unwillingness to understand the translation of word and emotion.

The writings of Sun Tzu refer to leadership in several teachings. He characterized individual leadership as, “The commander must be wise, trustful, benevolent, courageous, and strict.”<sup>9</sup> There are no specific differences in a military or business leader. However, if these characteristics do not exist the leader then will find it difficult to gain support for decisions.<sup>10</sup> In terms of organization and discipline, Sun Tzu stated, “Organization and discipline must be thoroughly understood.”<sup>11</sup> Delegation of authority and areas of responsibility within a military or a business organization must be absolutely clear. There must be a unified effort when conducting negotiations. It is the duty of the leader to communicate these things to those who follow.<sup>12</sup> Sun Tzu also taught that the “art of negotiation” is listening. It is critical to understand not just what is being said but how it is being said. Interpretation of a key phrase or word will either clear up or muddle the issue. The Japanese have several meanings for one word; the translation is in the reflection. A clear understanding will drive the direction of the negotiations to win-win solutions. Listening provides the opportunity to give the opposition what it desires and ensures the leader acquires what is most critical. The

Japanese respond favorably when the opponent speaks slowly, is pleasant, and uses simple words or phrases.

Strategic leaders can identify with two different approaches to communicating and dealing with host nation negotiating. The first approach is the U.S. military official who does not understand cultural adaptation, creating an uncomfortable and unproductive atmosphere for both negotiation teams. The second approach is the U.S. military official who educates himself on the customs and traditions and makes every attempt to work within the confines of the host nation culture. This individual maintains a positive relationship and will be more successful in working toward the U. S. strategic position.

#### Alliance Perspective

From the Second World War through the Cold War and up to the mid 1990s, the strategic relationship between Japan and the United States was highly strained when it came to security and military issues. The United States wanted Japan to take a more active role in its own defense and a stronger commitment to United States operations in a regional crisis.<sup>13</sup> Japan understood the necessity to be enveloped by the United States security defense system in order to reconstruct and reestablish its economy. For the United States, this meant a forward deployed presence in the Far East with bases on the Island of Japan and Okinawa but limited Japan's potential to develop offensive capabilities. Since the Cold War, Japan has demonstrated greater independence and has become a strategic economic government. Japan's strategic goal was to then develop a modest air and maritime Japanese Self-defense Force with the purpose of defending against limited and small scale attacks plus providing the facilities for U.S. and Japanese forces.<sup>14</sup> The strategic goal of the United States in the Far East became

the precondition of strategic security guarantees with power projection forces adept to regional and global operations, emanating from Japan.<sup>15</sup>

The 1995 Japan and United States Alliance meetings between diplomats in Washington and Tokyo programmed a renewal of the Host Nation Support/Special Measure Agreement.<sup>16</sup> This agreement would influence the costs to support US facilities and establish the base line for the realignment of forces in the Far East.

### Strategic Culture

Strategic culture consists of the socially constructed and transmitted assumptions, habits of mind, traditions, and preferred methods of operation – that is, behavior – that are more or less specific to a particular geographical based security community.<sup>17</sup>

Humans are educated from birth on a culture that will shape decision making skills and behavior. Confucius stated, “Human beings draw close to one another by their common nature, but habits and customs keep them apart.”<sup>18</sup> Understanding the host nation’s history and culture allow the ability to understand the convention for negotiation. This includes understanding and comparing the differences between two cultures, using the personal values and assumptions one operates within.<sup>19</sup> It can be argued that all Japanese are basically exposed to the same type of society norms that dictate how to express traditional cultural experiences and behavior; “Strategic thinking is deeply ingrained in the Japanese mind.”<sup>20</sup> America is an assorted culture and everyone brings a different dimension of appreciation and values to the negotiation table which is not in harmony with other cultures. Americans are viewed as rude, terrible listeners, and in a hurry to conduct/conclude business.<sup>21</sup> The Japanese are viewed just the opposite: polite, good listeners and extremely patient to understand and evaluate the issue before rendering a decision. This process is disconcerting to westerners, but it

gives the Japanese an advantage in negotiation strategies. Misunderstandings are created by the two different thought processes and how they are translated in action and word. Benjamin Franklin stated, “Remember not only to say the right thing at the right time in the right place, but far more difficult still, to leave unsaid the wrong thing at the wrong moment.”<sup>22</sup> Global negotiations provide unique and challenging problems; the strategic negotiator learns to observe, adapt, and become culturally literate to the host nation norms.

The United States Representative is empowered to come to the negotiation table to make decisions, whereas the Japanese Representative will not make an individual decision. It is necessary to refer the issue to the next higher authority and continue through levels of decision making until a resolution is made and delivered back to the working level for processing. This presents frustration to the American Diplomat who, through body language and diction, demonstrates this discontent to the Japanese counterparts. This frustration will disrupt the harmony of the meetings and cause the Japanese to feel uncomfortable. Negotiations are a platform for sharing information, thus it is necessary to understand the impact that culture has on business and to keep it out of successful negotiations.<sup>23</sup>

A definition provided by J.C. Wylie suggested that strategy is “a plan of action designed in order to achieve some end; a purpose together with a system of measures for its accomplishment.”<sup>24</sup> To facilitate the “ends,” it becomes necessary to strategize the “ways” and “means” that will drive the “Way Ahead” to a successful conclusion. This “plan of action” provides the road map for conducting effective negotiations to achieve a win-win situation for both parties. The plan should include maneuvering space when

events are overcome by road blocks. This will reduce any level of frustration, provide a united front, and enable the negotiations to continue beyond time expectancy.

### Negotiation Defined

One of the greatest stumbling blocks to understanding other peoples within or without a particular culture is the tendency to judge others' behavior by our own standards.<sup>25</sup>

A basic concept to foster the understanding of international negotiating precepts is identified in the following definition: it is a "process of communicating back and forth for the purpose of reaching a joint agreement about differing needs or ideas."<sup>26</sup> An important aspect of this concept is to ensure that both sides of the negotiating table are satisfied with the results and are willing to conduct future negotiations. This process requires proper planning procedures and understanding the mechanisms of the strategy. Frank Acuff, in *How to Negotiate Anything With Anyone Anywhere Around the World*, offers six steps to direct the "ways" and "means" of negotiating:<sup>27</sup>

1. Orientation and fact finding – learning about the organization of the host nation, history of similar negotiations, and individual styles of the counterparts.
2. Resistance – as long as there is resistance, there is interest, knowing the source of the resistance allows you to work on overcoming the host nation objections.
3. Reformulation of strategies – gaining new data requires re-assessment of earlier strategies.
4. Hard bargaining and decision making – concentrate on determination of real objectives. This is the time to invent options for neutral gain that will result in a win-win outcome.

5. Agreement – work out the details of the negotiation and ensure understanding. Negotiators ratify the agreement with their respective sides.
6. Follow-up – This sets the stage for the next negotiation and enhances relationship building.

The definition of negotiation varies from culture to culture. The American view of negotiation is the “opportunity to accomplish or resolve a substantive issue,” while other cultures view it as “an opportunity to build a relationship; resolving a particular issue is not the first goal.”<sup>28</sup> Japanese refer to negotiating as “an opportunity for information sharing” while Americans attack it as a “competitive process of offers and counteroffers.”<sup>29</sup> This is the ‘exploration undertaken’ to develop a harmony between negotiation teams; forging the trust with the aim of coming to a mutual understanding. Once this mutual understanding is cemented, then the free flow of information allows progress. What that means to the American diplomat is a requirement to understand the cultural aspect as it relates to business. Unfortunately, this understanding takes time and requires a change in attitudes and expectations. To the Japanese, negotiating is regarded as a failure to communicate their point of view.<sup>30</sup> For this reason, the Japanese prefer questions to be written out, in both English and Japanese, with the intention of reviewing and providing well vetted answers at a later time. This action avoids any possible embarrassment to the Japanese for not interpreting the question correctly but also adds to the American’s frustration that a simple question cannot be answered immediately. The language of communication involves a precept to the Japanese language in which a single word can have several meanings depending on the way it is used or reflected in voice.



Gerard I. Nierenberg, author of *The Art of Negotiating*, stated, “Whenever people exchange ideas with the intention of changing relationships, whenever they confer for agreement, then they are negotiating.”<sup>31</sup> Americans are typically task oriented and conduct negotiations with a goal to drive to the final agreement as quickly as possible. Americans do not understand how the international world views us in regards to business transactions and communications, and that is critical to a successful business relationship. For this reason, it is inherently important to become culturally literate, not only in the perceptions of other nationalities but also in how other nationalities perceive Americans.<sup>32</sup> To fill the gap between novice and master negotiator, the American needs to become a good listener and not only understand Japanese motivation but also the causes for personal actions. It is necessary to “develop an international cultural perspective” and to understand how that differs from inherent cultural prejudices.<sup>33</sup> It is essential to remember that negotiating is about communication, both verbal and non-verbal, and how this substantiates the relationship-building process.

### Culture

With the purpose of successfully performing transactions with Japanese business men and women, it is critical to understand the root causes for Japanese actions and processes. It is a reality that the Japanese culture understands United States officials’ strengths and weaknesses in negotiating.

Strategic thinking is deeply ingrained in the Asian mind. Specific strategies to deal with all kinds of life situations have been developed, refined, and studied for thousands of years. If the Westerner does not make an attempt to understand something of the Asian mind, he will find it almost impossible to detect the web of complicated strategies that is woven about him by his Asian counterparts, and he will fall victim to them.<sup>34</sup>

Japanese business acumen ties directly back to historical philosophies and traditions from both religious and cultural leaders. This historical tie is deeply rooted to the teachings of Confucius, Zen Buddhism, Shinto religion, the Samurai, and the warrior Sun Tzu.

## Religion

Religious beliefs are not a major focus of this paper; however, they are essential to discuss in order to understand how this cultural aspect affects the Japanese negotiating style. The Japanese thought is influenced by teachings of Confucius, the concepts of Buddhism, and the Shinto religion. These principles create the foundation for the harmony that the Japanese desire in order to establish a mutual understanding about each other. Japanese thought is slowly being transformed to the Western culture as business and culture are influenced by Western politics and economic perspectives.<sup>35</sup>

The one who can speak skillfully, with seemingly sweet words, is not necessarily a virtuous man. The benevolent one, his whole heart full of eternal Truth with no self-interest, when his duty of life is called upon, will fulfill it at all costs.<sup>36</sup>

Confucius teachings for the social order guided leaders to govern with “justice and benevolence” as well as with “obedience and respect” for their authority.<sup>37</sup> These teachings directed a conduct towards service to society, domestic affairs and to one’s self.<sup>38</sup>

The Japanese practice the concepts of Buddhism to help channel communication skills into effective negotiation. The concept of Buddhism emphasizes that, “if one is free from selfish desire, there will be perfect and harmonious relationship among people.”<sup>39</sup> This principle enables a disengagement to preconceptions and an open-minded approach to negotiations.<sup>40</sup> As an informal sense of meditation, the Japanese

will consistently close their eyes during negotiations to shut out distractions and concentrate on the issue being discussed. They will demonstrate other physical ways to indicate concentration on every word being said. This is also a sign of respect to the communicator indicating what he has to say is important.

The Shinto religion was the “major ideological basis” of the Japanese people.<sup>41</sup> Prior to the Second World War, this ultra nationalistic religion formed the country into an emperor-worshipping nation. Not only was the emperor the supreme ruler of Japan but he was also seen as the rightful ruler of the world.<sup>42</sup>

## History

Japan’s feudal past is highly engrained in its modern, industrial country of the 21<sup>st</sup> century.<sup>43</sup> However, it still has strong ties to the ancient Samurai traditions. The Samurai, or “those who serve,” were men of faithfulness and total adherence to duty and honor.<sup>44</sup> This was a social class to which the nobility belonged but today is the character of which every Japanese male strives. The Samurai code of behavior was established in keeping with the teachings of Confucius, Zen Buddhism, and Shinto religion, and tempered by the mastery of the sword. Today, that mastery is witnessed in the strategies of negotiation with patience and culture. With the conclusion of the Second World War, the Emperor of Japan delivered a surrender speech to his subjects and asked them to use their strength to reconstruct their country.<sup>45</sup> As loyal subjects, or Samurai, they responded to the Emperor’s wishes and slowly became a highly technological society, competing with global markets. It is with all these concepts, teachings and beliefs that the Japanese place such a high priority on protocol and hierarchy.

## The Realignment Agreement

The Marine Corps Air Station (MCAS) Iwakuni master plan is one of a number of ongoing planning efforts that are part of the Defense Policy Review Initiative (DPRI) and Alliance Transformation and Realignment Agreement (ATARA) between the U.S. Government (USG) and the Government of Japan (GOJ). The master plan provides a comprehensive development of specific actions and facility projects accommodating relocation of United States Marine Corps (USMC), a Government of Japan initiative, and United States Navy (USN) squadrons, a U.S. government initiative. These planning actions are intended to execute the interrelated initiatives of the Special Action Committee on Okinawa (SACO) and Defense Policy Review Initiative (DPRI) agreements between the governments of the United States and Japan. Strategic meetings to discuss the “Way Ahead” occurred in October 2005, where the USG and GOJ agreed to restructure the United States-Japan Mutual Defense posture. Later that month, the U.S.-Japan Security Consultative Committee (SCC) members approved the recommendations for the realignment of U.S. Forces in Japan as described in the joint United States-Japan Alliance: Transformation and Realignment for the Future. The document directed the respective country’s staffs to finalize specific and interrelated initiatives and develop plans, including specific implementation schedules, no later than March 2007.

## Negotiation Principles

“Strategic leaders must be experts in their domain and in the bureaucratic and political environment of the decision-making process in a democracy.”<sup>46</sup> It is important to expand this statement to include the bureaucratic and political environment within the

area of operation and the Host Nation. Americans need to think beyond their own interest and think globally. To become successful and productive negotiators, U.S. leaders must engage in the local culture and business practices to expedite requirements, develop procedures, meet deadlines and gain the Host Nation's trust and friendship. Since the 1960s, there has been a major growth in globalization dealing with United States and foreign concerns and with it comes the challenges and opportunities for negotiating.<sup>47</sup> Therefore, it is a necessity to understand the principles of negotiating and developing relationships and trust.

Negotiations are difficult enough when all parties speak the same language and understand procedures. Articulation of strategic vision thru negotiations, when cultures and languages collide, incorporates complexities to the process. There is a "cultural attribution" where the interpretation of behavior is based on one's own cultural perspectives.<sup>48</sup> The result can slow the processes and create anxiety. Understanding the cultural impact on negotiations will prevent any cultural differences from impeding the proceedings.<sup>49</sup> It is difficult to guide future development when security issues limiting the sharing of sensitive information exist. The negotiator must be able to communicate the vision's scope without divulging guarded information. Both negotiating teams are dependant upon the translator's ability to convey the intended meaning. Sun Tzu warns that, "If one does not use local guides, he will not be able to count on natural advantages."<sup>50</sup> Japanese cultures have specific rules concerning emotion and can often confuse the understanding of key issues. Translators are required for both cultures to keep the interpretations correct, the negotiations progressing smoothly, and ensure what is said is clearly delineated. Confusion between the lead negotiator and translator

shows weakness in the response and causes the other side to question the authenticity of said response. Individualism of any type gives the Japanese the indication that it is not a team effort and will limit the interest or importance of the item being discussed. One comment from a Japanese negotiator about American business behavior: "Each one [of the Americans] had his or her own ideas to say...I was quite embarrassed for them, as the team could not decide which way they wanted to go. I was also quite surprised to see that they would willingly, almost with pride, display to us this lack of unity and cooperation on their part."<sup>51</sup> It takes the personal knowledge and trust of one another to be able to determine when an issue is a major point.

"Strategic vision is a means to focusing effort and progressing toward a desired future."<sup>52</sup> The strategic leader must understand, interpret, and master the strategic environment with the purpose of developing and creating the vision of the future. The proposal to launch the strategic vision must be a plan that will satisfy both sides of the negotiating table. In the case of the Iwakuni master plan, it is a vision that meets the requirements for the relocation of outside military units and the transformation of the Air Station ten years into the future, including mission capability and station operations thirty years into the future. Within this time frame, the negotiating players will change many times, requiring that the plan designed today is clear and concise and flexible for technological advancements.

### Cultural Environment

Richard Lewis, author of *When Cultures Collide, Leading Across Cultures*, is accurate in his description of the Japanese culture and the uniqueness of the Japanese culture to be productive. While interacting with Government of Japan officials, it is

crucial in successful negotiations to understand the steps taken before, during, and after the business meeting. Lewis provides several important points in conducting negotiations with the Japanese. The last point he makes, "They must like you and trust you wholeheartedly, otherwise no deal!" should be elevated to the top.<sup>53</sup> A leader can conduct negotiations with the Japanese without this main point; but it will be very difficult. The Japanese will remain at the negotiation table because they have a deadline to meet and this is of extreme importance. They will not be so inclined to understand others' concerns.

"One of the greatest stumbling blocks to understanding other peoples within or without a particular culture is the tendency to judge other's behavior by our own standards."<sup>54</sup> The difficulty lies in the typical stereotypes and biases that inherently exist about other cultures.<sup>55</sup> Americans are in a hurry to get the final decision while international counterparts want to develop relationships to understand the information being sought.

## Protocol

Protocol is a set of rules and etiquette that one must recognize and respect when conducting international negotiations.<sup>56</sup> Americans proceed to the negotiating table uneducated about their host nation and are un-willing to establish the commitment for relationship-building which affects the successful outcome of the negotiations. International negotiators devote a great amount of time to understanding their counterparts in order to reduce ambiguity. Knowing the character of the other negotiators provides a sense of orderliness and predictability to the negotiating process.<sup>57</sup> Every culture has its own ritual or hierarchy that, if ignored, will jeopardize

the relationship and future negotiations. The negotiator is judged by his verbal and non-verbal communication skills rather than what organization is represented. "International negotiators must continually ask what kind of verbal and non-verbal images foreign counterparts grasp, and what kind of words and actions convey these images."<sup>58</sup>

Verbal communication is predicated by two factors; listening and context. To be a good negotiator requires listening before responding. Americans tend to abruptly interrupt their counterpart to make a point. The Japanese will patiently listen to the whole content before initiating a response. Negotiators judge intent as well as the content, which means what is being said needs to be understood to facilitate information being sought.<sup>59</sup> Most international negotiators speak English, however, since many of the team members may not, it is proper etiquette to have it translated. Japanese know and expect foreign negotiators to not speak Japanese fluently; it makes them more comfortable.

Non-verbal communication is interwoven with daily life and becomes a major part of strategic communication. The utilization of gestures, rituals, and body language is an affair of cultural interpretation. "Without gestures, our world would be static, colorless."<sup>60</sup> Every country has its own nuances and non-verbal communication rituals, helping the negotiator get his message across. However, it is important to understand how these images are portrayed and deciphered.<sup>61</sup> The Japanese society is based on rituals and hierarchy in which the senior member is extended courtesies before anyone else. The presenting of business cards, bowing versus handshaking, and seating arrangements demonstrate a greater concern for procedure than content.<sup>62</sup> Although distressing to Americans, Japanese demonstrate great constraint through silence and, during the



negotiations, close their eyes to concentrate, showing great respect for the speaker's thoughts.

An important point to understand is that the Host Nation is paying for most of the realignment and transformation; therefore it becomes necessary to respect this power of leverage of the negotiation environment. The Government of Japan agreed to expend a percentage of the Gross Domestic Product on U.S. military construction. This informal agreement, called the "sympathy budget," is not treaty based and can be revoked at any time. Japan realizes the importance of a strong U.S. military presence with the aim of keeping its neighbors in North Korea and China within its own borders. Japan's government and people have maintained a pacifist constitution since the Second World War and the bombings of Hiroshima and Nagasaki. All projects approved for construction are thus defensive in nature, such as barracks, hangars, schools and administrative facilities. The U.S. has to rely on their own Military Construction Program to design and build anything that is considered offensive in nature or generates revenue such as morale, welfare and recreational facilities. That is unless it becomes an operational requirement due to the relocation of the military units, in which case the Government of Japan is obligated to construct under the realignment agreement. For example, the increase in population at Iwakuni will require more exchange retail space to accommodate the new supply demand; this is considered an operational requirement.

During negotiations between United States Forces Japan (USFJ), the U.S. representative, and the Japanese Defense Facility Administration Agency (DFAA) a formal process is conducted to establish the framework for hierarchy. Specifically, a

complete list of attendees with their rank and position is provided in order to align with their counterparts. In the Japanese society, rank plays an important role in life and in business. The senior executive requires a greater demonstration of attention than a junior member or it will be considered an offensive affront. Character is judged by this simple act. The most senior members of the negotiation team are the primary speakers, but subordinates are required to provide technical assistance and can speak when it is appropriate. Positioning at the negotiation table dictates the importance of input.

Taking the initiative to demonstrate and conduct rituals and gestures initiates a harmony to the proceedings. It is not expected for the U.S. official to have a command of the Japanese language, but it is appreciated when U.S. official greets them and says goodbye in the Japanese language. The successful negotiator tactfully watches the host nation and develops a style that does not allow for distractions or uneasiness. This will ensure a level of trust is forged which will lead to positive movement with negotiations in the future.

### Three Tier Meetings

The negotiation meetings are split into three tiers: the official - reportable meeting, the detail – members' only meeting, and the social - take off the tie, meeting. All three meetings are interconnected and determine how the follow on meetings will be conducted in the future, yet all three meetings have their own balance and style. How all three meetings are conducted in the beginning will determine the level of trust bestowed as a business partner. When the feeling of trust is established, then information will be provided as required. However, it will take several meetings to achieve this station. The social meeting has major implications on how the first two

meetings will be conducted in the future. This social gathering provides the Japanese the opportunity to obtain information on a more personal level.

As a strategic leader, it is necessary to understand the different nuances associated with the formality of each meeting and how to conduct business. The negotiation hierarchy contains three levels; 1) strategic – the Four Principles, high ranking U.S.-Japanese diplomatic officials, 2) operational – the Alliance Transformation Working Group (ATWAG), senior military and civilian personnel at Defense Facility Administration Agency (DFAA) and United States Forces Japan (USFJ), 3) tactical – CVW-FIVE/Iwakuni Alliance Working Group (CIAWG), working level military and civilian members of USFJ, military bases, and DFAA. The detailed issues of plans and items are worked at the lower levels and processed up through the echelons of hierarchy for affirmation. Once approved, the agreements are processed back down to the working level to incorporate into the plans and promote further development. If an accord is not reached, the issues are discussed and negotiated again.

The official meeting follows a specified agenda whose contents are reportable to the Japanese Ministries and the public. The agenda is provided and agreed upon days prior to the meeting, affording the opportunity to informally discuss and prepare responses. These items become public record and demonstrate that the U.S. and Japanese representatives are investigating and agreeing only to projects that are required for the relocation. This is critical since the Japanese will be paying a major portion of the construction dollars. Not all questions will have definitive answers and are typically addressed by either side with the acceptable response, “The items will be reviewed and a response provided at the next official meeting.” This is all part of the

process to ensure that the Japanese representatives are giving the issue full consideration and are looking after the interests of Japan. This process is frustrating for the U.S. representatives because it prolongs the negotiations and effects future agenda items. It is difficult to determine if the Japanese agree or disagree with an issue. The Japanese do not use the word “no” and if the Japanese representative nods his head or says “hai” (Japanese for yes) it is not an indication that they agree with the issue. It culturally means they understand that an important topic has been stated or asked. This becomes evident and adds to the frustration when the item reappears on a future agenda. Typically, both sides desire to take information provided and review the translation to ensure that the wording satisfies all interests. This is a necessary reassurance measure, not a sign of distrust.

The official meeting concludes when both senior members agree that all agenda items have been reviewed and given proper resolution. This meeting is then officially closed. After a small break the second tier meeting begins with a smaller contingent of senior participants. The purpose of this gathering is to discuss the details of agenda items from past meetings or specifics from the official meeting that were not ready for sanctioned remarks. These details are not put into the official record. This is an opportunity to speak frankly and raise concerns, knowing that these comments will remain confidential. Agreements are made at this stage concerning the direction of the master plan and explicit information that needs to be clarified. Any major changes that might affect the master plan are reviewed with the intention of determining any impact on the air station mission.

The third tier meeting takes place at a local Japanese restaurant. The Japanese traditionally like to host the guests for an evening of food and karaoke. The conversation broadens to family, sports, entertainment, and travel; there is no talk of business or agenda items. This is a time to improve on social leadership abilities. It does not matter whether one indulges; it is the perception that one wants to get to know the host nation. This important cultural concept provides the opportunity to develop friendships, better understand the other negotiators, and strengthen the bonds of trust. As shrewd competitors in the global market, the Japanese use this platform to discover weaknesses in leadership capabilities and enhance the knowledge base of the American negotiators. Individuals who do not participate in the social gathering necessitate the need to be evaluated on business communication skills alone. This retards the bonds of trust and friendship that can only be established through actions at the negotiating table. The evening is started and concluded with a rousing “Kan Pai,” meaning drain the cup, a few bows and a handshake.

### Recommendations

Sun Tzu told us, “He who knows the art of the direct and the indirect approach will be victorious. Such is the art of maneuvering.”<sup>63</sup> Maneuvering is a major component to negotiating. It is essential to the Strategic Leader to become aware of a country’s cultures and traditions prior to conducting any negotiations. It is important to begin this process prior to meeting the other negotiators.

It is therefore recommended to develop an on-line negotiation country specific tutorial program for individuals transferring to overseas duty stations. The program should provide in context an overview of cultural and business acumen and survival tips

for negotiating. In addition, one must understand the process for building relationships through verbal and non-verbal communications. The patience to observe the gestures, rituals and hierarchy required to recognize cultural impact on business and conduct effective negotiations must be developed. Respect cultural differences and adjust to that style while maintaining own individualism should be shown. Next, conduct a uni-lateral session to prepare for and develop a negotiation strategy with the negotiation team incorporating information about the host nation to include their point of view for the negotiation. Ensure everyone is in concert with the strategy and demonstrate a united front. Ensure that all information provided is true and factual. The Center of Gravity for strategic negotiations must be determined. This will involve the development of the ways, means and ends to negotiation goals. One must curb personal cultural baggage and become a good listener with the intention of gaining respect and trust.

### Conclusion

If strategic leaders are to be responsible visionaries of the future, it is necessary to remember the past. The experiences endured and the different people encountered map out a directed course of action that allows leaders to “shape the climate” no matter what the culture. It is definitely clear through the United States presence in Iraq, in areas where stability is being accomplished that trust and friendship have been earned. It is not necessary to entirely bend to cultural idealisms, but it is necessary to demonstrate an interest and willingness to understand to successfully conduct business. Leaders may not become a master of the Japanese language, but taking time to learn a few courtesy phrases along with signals will be greatly appreciated and remembered. This will aid in the ability to be a powerful negotiator. Sometimes, at

great personal sacrifice and within legal context, leaders must demonstrate the willingness to experience cultural adaptation for the purpose of supporting the bureaucratic and political environment. Understanding that negotiation is just a tool, it is essential for Strategic Leaders to know and respect cultural differences to build relationships which will develop trust.

### Endnotes

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<sup>3</sup> Chin-Ning Chu, *The Asian Mind Game, Unlocking the Hidden Agenda of the Asian Business Culture – A Westerner's Survival Manual*, (Rawson Associates, MacMillan Publishing CO., New York, 1991), 11.

<sup>4</sup> Joseph R. Cerami and Jay W. Boggs, *The Interagency and Counterinsurgency Warfare: Stability, Security, Transition, and Reconstruction Roles*, (Carlisle, PA: U.S. Army War College, 2007), 172.

<sup>5</sup> Ibid., 173.

<sup>6</sup> Larry H. Addington, *The Patterns of War Since the Eighteenth Century*, (Bloomington: Indiana University Press, 1884), 262.

<sup>7</sup> Frank L. Acuff, *How to Negotiate Anything with Anyone Anywhere Around the World*, (American Management Association, New York, 1993), 14.

<sup>8</sup> Col S.A. Shambach, *Strategic Leadership Primer*, 2<sup>nd</sup> Ed, (Carlisle, PA: U.S. Army War College, 2004), 3.

<sup>9</sup> Samuel B. Griffith, *Sun Tzu The Art of War*, (Oxford University Press, New York, 1963), 65.

<sup>10</sup> Chin-Ning Chu, *The Asian Mind Game, Unlocking the Hidden Agenda of the Asian Business Culture – A Westerner's Survival Manual*, (Rawson Associates, MacMillan Publishing CO., New York, 1991), 24.

<sup>11</sup> Samuel B. Griffith, *Sun Tzu The Art of War*, (Oxford University Press, New York, 1963), 93.

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- <sup>13</sup>. Michael Blaker, Paul Giarra and Ezra Vogel, Case Studies in Japanese Negotiating Behavior, (Endowment of the United States Institute of Peace, Washington, DC, 2002), 7.
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- <sup>19</sup>. Dean Allen Foster, Bargaining Across Borders, How to Negotiate Business Successfully Anywhere in the World, (McGraw-Hill, Inc., New York, 1995), 4.
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